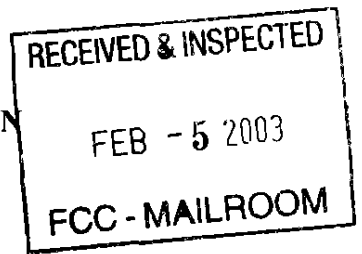


Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554



In the Matter of )

Application by Qwest Communications )  
International Inc. for Provision of )  
In-Region, InterLATA Services in the )  
State of New Mexico )

WC Docket No. 03-11

**Comments of  
The Association of Commerce and Industry  
Of New Mexico**

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Dated: February 3, 2003

For  
File

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## **I. Introduction**

The Association of Commerce and Industry of New Mexico (ACI) submits these comments in support of Qwest's application for authority under Section 271 of the Communications Act to provide in-region, interLATA service in New Mexico. Attached is a list of business organizations that concur with the comments submitted in this pleading in support of Qwest's application.

The New Mexico Public Regulation Commission (PRC) has conducted an extensive review in order to determine if Qwest has met the requirements of Section 271 of the Communications Act to open local markets to competition in the state. ACI has provided the PRC with both written and oral statements that support Qwest's entry into interLATA service in New Mexico. In addition, Qwest's voluntary Performance Assurance Plan (PAP) in New Mexico provides adequate safeguards against backsliding by Qwest and creates incentives for Qwest to engage in continuous improvement of its services to competitive providers and other wholesale customers.

Qwest's entry into the long-distance market in New Mexico is in the public interest. First, it will increase competition in the long-distance market, particularly for residential consumers. Based on the experience of consumers after SBC entry into the long-distance market in Texas, Oklahoma and Kansas and after Verizon entry into the long-distance market in New York and Massachusetts, Qwest's entry into long-distance in New Mexico will lead to lower prices and new service offerings. Second, Qwest's entry into the long-distance market in New Mexico will promote the important goal of increased economic opportunity across the state of New Mexico.

ACI is in a strong position to comment on Qwest's long-distance application in New Mexico. ACI is a statewide membership organization that relies on its members to set policies and priorities for various issues that affect the economic well being of business in New Mexico. ACI has been studying issues involving telecommunications since 1998.

The ACI policy issue review process is inclusive of our members, affected industry participants, and government officials. In this petition, ACI is representing the views and interests of the chambers of commerce and associations from throughout New Mexico representing thousands of business members identified in the attached listing.

## **II. Qwest Has Met the Market Opening Requirements of Section 271**

ACI concurs with the conclusions of the New Mexico Public Regulation Commission that Qwest has met the requirements of Section 271 of the Communications Act to open its local network to competition. According to Qwest, it has 35 PRC-approved wireline interconnection agreements and 20 resale-only interconnection agreements with competitors in New Mexico. These competitors have located facilities such that they are able to offer a competitive choice to approximately 213 of Qwest's residential customers in the state.

Performance data generated during the testing phase of this application also indicates that Qwest has met its Section 271 obligations in the state. Comprehensive third-party OSS tests representing 13 states served by Qwest, including New Mexico, found that Qwest has made the changes to its system necessary to allow for competition to flourish in the state today and in the future.

## **III. Qwest Entry into Long-Distance Is in the Public Interest**

Qwest has met the requirements of the 1996 Act to open its local markets in New Mexico to competition and has the necessary incentives not to backslide. The New Mexico PRC has adopted and implemented a comprehensive Performance Assurance Plan that requires Qwest annually to put at **risk** \$39 million in the state if Qwest fails to meet the rigorous performance standards.

Qwest's entry into long-distance in New Mexico is clearly in the public interest.

Consumer experience in Texas, Kansas and Oklahoma, New York and Massachusetts demonstrates the benefits, particularly for residential customers, that result from regional Bell entry into the concentrated long-distance market. One year after SBC's entry in Texas and four months after its entry in Oklahoma and Kansas, the company was serving 2.8 million long-distance lines in service'. A Wall Street telecommunications analyst recently reported that Verizon is claiming a 31 percent share of the long distance market in New York. less than 2 years after it's application was approved, and, after seven months, 16 percent of the Massachusetts market.<sup>2</sup>

In addition to choice, consumers are seeing lower prices – from all competitors. SBC's long-distance service plans offer customers a low per-minute charge with no monthly minimum or monthly recurring charge, all on a single bill. In response to SBC's long-distance rate plans and all-inclusive bill, AT&T, MCI WorldCom, and Sprint began to offer discounts on their long-distance plans to customers who signed up for local service and reduced intrastate rates. The Telecommunications Research & Action Center (TRAC) estimates that New York consumers are saving up to \$700 million per year since Verizon entered the New York market.'

Ron Binz, a consumer advocate, noted in a recent report that "consumers should expect results in the Qwest region that are similar to those in other states where the BOC has entered the interLATA market – additional choices and lower prices for long distance service. This seems especially likely in Qwest's case since the company had been marketing long distance service in the region until its acquisition of U S WEST."<sup>4</sup> In fact, a study by an MIT economist predicted that New Mexico consumers could realize savings of up to \$65 million per year when Qwest reenters the New Mexico long distance market.<sup>5</sup>

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<sup>1</sup> SBC, *Investor Briefing*, July 25, 2001

<sup>2</sup> Anna-Maria Kovacs, "Telecom Regulatory Note: Pennsylvania 271", Commerce Capital Markets, Equity Research, September 20, 2001

<sup>3</sup> TRAC. "TRAC estimates New York Consumers Save up to \$700 Million a Year on Local and Long Distance Calling." May 8, 2001

<sup>4</sup> Ron Binz, *Qwest, Consumers and Long Distance Entry: A Discussion Paper*, October, 2001

<sup>5</sup> Competitive Alliance of New Mexico. "MIT Economist Says New Mexico Consumers Will Benefit From Qwest's Re-entry into Long Distance Business," June 25, 2001

In addition, like SBC and Sprint, and unlike some of the long-distance carriers, Qwest plans to provide its combined long-distance and local service customers with true one-stop shopping and customer service for all telecommunications services<sup>6</sup>.

#### **IV. Conclusion**

The Federal Communications Commission should approve Qwest's application to provide in-region, inter-LATA service in New Mexico. Qwest has demonstrated that it has met Section 271's market-opening requirements in the state. Qwest's entry into long-distance in these markets will benefit consumers with greater choice, lower prices, and new service offerings.

ACT believes that in a competitive marketplace all companies offering telecommunications services will have ample opportunity to flourish. Increased competition should result in greater choice, improved pricing and higher employment throughout the state. The progress made thus far towards a competitive statewide marketplace in New Mexico should be protected and maintained.

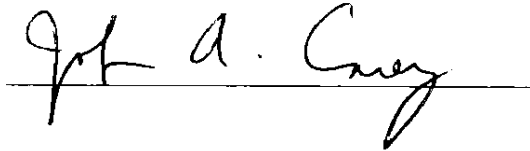
ACI believes that the Federal Communications Commission (FCC) should seek to promote competition in the telecommunications industry in both the short term and the long term when considering petitions under section 271 of the Federal Telecommunications Act of 1996

ACI supports the continuation of an orderly transition toward a fully competitive marketplace, and supports Qwest's application to enter the interstate telecommunications market within its region. In addition, Qwest's re-entry into the interstate telecommunications market will serve the public interest.

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<sup>6</sup> Communications Workers of America, *Bungling on Bundling at AT&T*, 2001

Therefore, ACI encourages the Federal Communications Commission to approve Qwest's application to re-enter the interstate long distance market in New Mexico in a time frame within which the public interest, the effect on industry competition and the economic development opportunities associated with **Qwest's** application may be realized.

A handwritten signature in black ink, reading "John A. Carey", is written over a horizontal line.

John **A** Carey

President & CEO

Association of Commerce and Industry of New Mexico

Attachment

Business organizations that concur with the comments submitted in this pleading in support of Qwest's 271 application for interstate long distance entry in New Mexico:

- Santa Fe County Chamber of Commerce
- Greater Albuquerque Chamber of Commerce
- Greater Las Cruces Chamber of Commerce
- Rio Rancho Chamber of Commerce
- Alamogordo Chamber of Commerce
- Taos County Chamber of Commerce
- Las Vegas/San Miguel County Chamber of Commerce
- Greater Belen Chamber of Commerce
- Belen/Valencia County Economic Development Corporation
- New Mexico Restaurant Association
- Communications Diversified, Inc.